



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 19, 2004

S. 2541

NASA Authorization Act of 2004

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on September 22, 2004*

SUMMARY

S. 2541 would authorize appropriations for activities of the National Aeronautics and Space Administration (NASA) for fiscal years 2005 through 2009. Assuming appropriation of the specified amounts, CBO estimates that implementing S. 2541 would cost \$78 billion over the 2005-2009 period.

The bill also would authorize the agency to enter into enhanced-use lease agreements at four NASA centers. CBO expects that this authority would allow NASA to acquire new facilities through the use of third-party financing on behalf of the federal government. Therefore, the use of such authority should be reflected in the federal budget as additional direct spending. CBO estimates enacting the legislation would increase direct spending by \$170 million over the 2005-2009 period and \$600 million over the 2005-2014 period.

S. 2541 contains no intergovernmental or private-sector mandates as defined by the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2541 is shown in the following table. The costs of this legislation fall within budget functions 250 (general science, space, and technology) and 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2005	2006	2007	2008	2009
CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a					
Authorization Level	16,245	17,003	17,816	18,002	18,034
Estimated Outlays	9,812	15,376	17,026	17,566	17,817
CHANGES IN DIRECT SPENDING					
Additional Enhanced-Use Leasing Authority					
Estimated Budget Authority	0	50	55	60	70
Estimated Outlays	0	15	42	51	62

a. A full-year appropriation for 2005 for NASA has not yet been enacted. In 2004 the agency received an appropriation of \$15.2 billion.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the amounts authorized in the bill will be appropriated near the start of each fiscal year and that outlays will follow the historical spending patterns for these activities.

S. 2541 would authorize specific appropriations over the 2005-2009 period for all programs within the NASA budget, including the International Space Station, the Space Shuttle, and various science and research efforts. It would also expand NASA's authority to enter into enhanced-use leasing agreements to acquire new and renovated facilities for its use.

Spending Subject to Appropriation

Title I would authorize specific amounts to be appropriated for various activities within NASA. CBO estimates that implementing the bill would cost \$9.8 billion in 2005 and about \$78 billion over the 2005-2009 period.

Direct Spending

The estimated changes in direct spending resulting from S. 2541 over 10 years are shown in the following table.

	By Fiscal Year, in Millions of Dollars									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
CHANGES IN DIRECT SPENDING										
Estimated Budget Authority	0	50	55	60	70	80	85	90	95	100
Estimated Outlays	0	15	42	51	62	71	79	85	90	95

Title IV of S. 2541 would authorize the agency to enter into enhanced-use lease arrangements with nonfederal parties at four additional NASA centers around the country. NASA is currently authorized to complete such leases at two of its centers.

CBO expects that NASA would use the additional enhanced-use leasing authority provided by this bill to acquire new and improved facilities at its centers as other federal agencies have done with similar authority. While the contractual terms of the agreements may vary from project to project, and while the projects could range from office buildings to power stations or other types of infrastructure, CBO expects that the leases would likely involve significant federal commitments to reimburse nonfederal lessors for improvements to federal property.

Based on information from NASA, CBO expects that NASA would use this leasing authority to build or to refurbish aging infrastructure to support its mission. The agency has stated that 75 percent of its facilities are over 35 years old, in need of maintenance and redevelopment, and has planned to use innovative financing approaches to help achieve this goal by seeking third-party financing for improvement of NASA facilities.

Excluding the centers at Kennedy and Ames where enhanced-use leasing is authorized under current law, NASA's other major operations centers have buildings and other improvements with an average replacement value of \$1.5 billion for each center. The agency estimates that three-quarters of those facilities need to be replaced or renovated. For this estimate, CBO assumes that NASA would use enhanced-use leasing authority at four of its centers to finance 15 percent of necessary improvements over the next 10 years. CBO estimates that S. 2541 would result in additional direct spending of \$170 million over the 2005-2009 period and \$600 million from 2005-2014 to acquire new facilities and make necessary renovations for the four centers.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2541 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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